



DEPARTMENT OF THE NAVY
NAVAL AIR SYSTEMS COMMAND
WASHINGTON, D.C. 20361

IN REPLY REFER TO
NAVAIRINST 4862.4
50184
29 April 1974

NAVAIR INSTRUCTION 4862.4

From: Commander, Naval Air Systems Command

Subj: Inspection and reporting of Navy departmental industrial plants
and national industrial reserve plants

Encl: (1) NAVMATINST 4862.19 of 29 Aug 1973

1. Purpose. To implement enclosure (1) which has an objective to provide the Department of Defense and other interested agencies with information on the state of readiness of Navy departmental industrial plants and plant equipment packages.
2. Scope. The requirements set forth in enclosure (1) apply to all Naval Weapons Industrial Reserve Plants and any associated plant equipment packages.
3. Action. Each addressee shall conduct an annual review of the Naval Weapons Industrial Plant and plant equipment package for which the addressee is assigned contract administration responsibility. The review shall be on a fiscal year basis and in accordance with the criteria established by enclosure (1). Results of such reviews are to be submitted to the Commander, Naval Air Systems Command (AIR-501) by 15 July of each year in the format set forth in enclosure (1). The Naval Air Systems Command Headquarters will review and combine the aforementioned reports and submit a consolidated annual report to the Chief of Naval Material by 31 July.
4. Report. RCS DD-I&L(A) 1272 (4862) applies to the reporting requirements in this instruction.

C. R. COOPER
Acting Assistant Commander
for Material Acquisition

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DEPARTMENT OF THE NAVY
HEADQUARTERS NAVAL MATERIAL COMMAND
WASHINGTON, D. C. 20360

NAVAIRENST 4862.4
29 Apr 1974

IN REPLY REFER TO

NAVMATINST 4862.19
MAT 044H/PTH

29 Aug 1973

NAVMAT INSTRUCTION 4862.19

From: Chief of Naval Material

Subj: Navy departmental industrial plants and national
industrial reserve plants; inspection and reporting of

- Ref: (a) DOD Instruction 4155.4 of 29 May 1973; Subj: Inspection
and Reporting of Departmental Industrial and National
Industrial Plant Reserve (NOTAL)
(b) NAVMATINST 4870.23A; Subj: Plant Equipment Retention
and Maintenance
(c) Armed Services Procurement Regulations (ASPR)
(d) SECNAVINST 11014.11 Subj: DOD Real Property Maintenance
Activities Program
(e) DSAM 4215.1/NAVSUP PUB 5009; Defense Industrial Plant
Equipment Center Operations

Encl: (1) Instructions for preparing report (RCS DD-I&L(A) 1272(4862))

(2) Report Format

1. Purpose. To implement reference (a) and to provide the Department of Defense and other interested agencies with a ready source of information on the state of readiness of Navy departmental industrial plants and plant equipment packages (PEPs).

2. Scope. The procedures contained in this instruction apply to all commands having administrative and/or maintenance responsibilities for Navy's departmental industrial plants and plant equipment packages (PEPs) and national industrial plant reserve.

3. Definitions

a. Departmental Industrial Plant Reserve (DIPR) - Industrial installations held by the military departments in active or inactive status as a reasonable reserve of departmentally controlled production capacity and potential. These installations may be Government-owned or Government-operated (GO-GO) or Government-owned/contractor-operated (GO-CO). They consist of those installations which are retained and used in their entirety or in part for production of military weapons systems munitions, components and supplies.

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b. National Industrial Plant Reserve (NIPR) - Those excess industrial installations which have been, or shall be, sold, leased, or otherwise disposed of by the United States, subject to a National Security Clause, are held by the General Services Administration and shall be so held or disposed of, subject to the provisions of the National Industrial Reserve Act of 1948, and those excess industrial installations under the control of any executive branch of the government (including any wholly owned government corporation) which are not required for immediate needs and responsibilities, as determined by the head of such department or establishment, and which are designated by the Secretary of Defense as part of the National Industrial Plant Reserve.

c. Plant Equipment Package (PEP) is a complement of active and/or idle items of plant equipment that has been formally approved for retention by the Assistant Secretary of Defense (Installations and Logistics) (ASD(I&L)) in accordance with criteria and procedures of reference (b).

4. Discussion. The report on state of readiness of Navy departmental industrial plants is being revised in response to DOD and other interested agencies' inquiries for additional information on Navy's departmental plants, and for the purpose of standardizing military department reports to DOD. The data required in the revised report is substantially the same as provided in the superseded report; however, the sequence of data has been changed and information on plant equipment packages (PEPs) is now required. The functions of inspection, maintenance of facilities, surveillance and inventory reporting, associated with the subject report, are for the most part being performed within the framework of existing Navy programs. Therefore, these resources should be fully utilized in developing and furnishing the report data required by this instruction.

5. Action

a. Addressees will conduct an annual inspection of each departmental industrial plant reserve, plant equipment package, and national industrial plant reserve over which they have jurisdiction and/or inspection or maintenance responsibilities for the purpose of determining the state of readiness of these industrial resources.

b. Reporting of national industrial plant reserve will continue until dates of expiration established by the National Security Clause of the National Industrial Reserve Act of 1948.

c. Inspections will be conducted on a fiscal year basis so that the data compiled for the report will reflect the latest available information.

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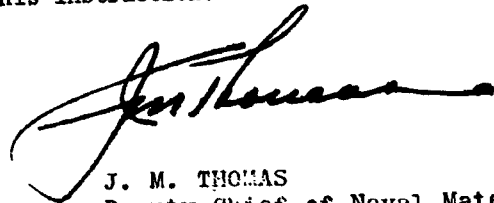
d. Reports will be prepared in accordance with instructions of enclosure (1) and submitted to the Chief of Naval Material (Code MAT 044), in the format provided by enclosure (2), no later than July 31st.

e. The information solicited by enclosure (2) represents the minimum essential data required; therefore, action addressees may supplement these data requirements to satisfy their special needs in meeting the purpose of this instruction. However, all material must be submitted on a standard 8 x 10 $\frac{1}{2}$ size paper.

6. Report Control Symbol. RCS DD-I&L(A) 1272(4862) is assigned to the reporting requirement of this instruction.

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J. M. THOMAS
Deputy Chief of Naval Material
(Logistic Support)

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INSTRUCTIONS FOR COMPLETING
DEPARTMENTAL INDUSTRIAL PLANT RESERVE REPORT

GENERAL: The report is to be submitted annually to the Chief of Naval Material (MAT 044), no later than 31 July. Every attempt should be made to provide data as close as possible to June 30th of the fiscal year covered by the report.

A. GENERAL DESCRIPTION:

1. Name and Number - Insert plant name and either the assigned DoD number (e.g., DoD 391) or the assigned service number.
2. Location - Insert mailing address. If physical location is significantly different (in excess of 10 miles) than mailing address, specify physical location under "Remarks."
3. Type - Select the major type of activity in which plant is engaged from the following list: Aircraft, ammunition - propellant, combat vehicles, communications - electronics, missiles, shipbuilding, weapons, other (specify).
4. Product(s) Produced During Report Year - List as appropriate.
5. Product(s) For Which Plant is Planned - List as appropriate.
6. Status - State whether the plant is carried in either an active or inactive status. If inactive, include the date the plant was inactivated. An active plant is one in which there is a work force of any size gainfully employed on a regular basis in producing the product(s) or service(s) for which the plant exists. If the plant is producing other than defense material, so state under "Remarks."
7. Operating/Maintenance Contractor - If plant is active, identify the operating contractor. If plant is being maintained in an inactive status, identify the maintenance contractor.
8. Planned Producer - Identify, by name, the planned producer and the expiration date of the planning agreement.
9. Plant Equipment Package (PEP) Number(s)/Number of Items - ~~Plant Equipment Packages approved for retention by the~~ Assistant Secretary of Defense (Installations and Logistics) in accordance with NAVMATINST 4870.23A (reference (b)), include the approval number(s) and the Number of pieces of

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IPE for each PEP. Only equipment assigned to the plant should be reported.

10. Work Force - Indicate the number of employees, contractor and government, employed in the total plant. In the case of commingled facilities, the figure will include persons in the contractor's portion as well as in the government's portion. Indicate the current shift basis, e.g., 1-8-5, 3-8-5, etc. An estimate will suffice in those cases where an exact count of the contractor's work force is not available. If the plant is inactive, list the total number of maintenance employees. Under "Maximum" identify the number of employees required to operate the total plant at maximum capacity on the planned items.
11. Acres Owned - Include the acres owned in fee. Round to the nearest acre.
12. Land Leased - Include acres which the government occupies as lessee. Include easements and other. Round to the nearest acre.
13. Covered Floor Space - In regard to buildings owned and/or leased, include total square feet of all building space that is walled and roofed (e.g., fully enclosed) and which is serving or is capable of serving a useful purpose. Exclude condemned buildings planned for demolition within a year.
14. Laid Away Facilities - Facilities under this item means industrial type covered space (excluding administrative and personnel support type space, R&D laboratory space and any other space which is not used for manufacturing, rebuild, LAP, etc.) and all major items of equipment with an acquisition cost of \$1,000 or over.
 - a. Insert total square feet of enclosed industrial type space.
 - b. Insert total square feet of enclosed industrial type space which is laid away.
 - c. Insert the percentage b is to a.
 - d. Insert the number of major items of equipment in layaway.
15. Date of Initial Construction - Self-explanatory.

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B. FINANCIAL DATA:

1. Acquisition Cost - Include the total original purchase prices for each of the four categories shown. For example, the total land owned for a given plant may be 100 acres. However, this land may have been acquired in smaller parcels at several different times at different prices. The total acquisition cost will be the sum of all the individual purchases. IPE is industrial plant equipment (see ASPR B-102.11 definition - reference (e)). OPE is other plant equipment and includes that portion of plant equipment (ASPR B-102.10 - reference (c)) not reported as IPE.
2. Replacement Cost - Provide a reasonable estimate of the current land, buildings and equipment replacement costs. Do not conduct in-depth studies or contract with professional appraisers to obtain these figures.
3. Leasing Costs - The appropriate figure to be entered should be the annual cost to the government as lessee for any leases in effect at the end of the fiscal year reported on.
4. Report Year Operating Costs - The reporting year is the last complete fiscal year (prior fiscal year) preceding the time specified for submission of this report. Insert actual operating costs, regardless of source, expended for plant operations in terms of direct and indirect labor, and the costs of materials, supplies (other than GFM), and utilities utilized by all labor employed at the plant. In some instances of commingled facilities, this information may not be available. In such cases, simply note "N/A."
5. Report Year/Current Year Plant and Equipment Improvement Costs - Improvement costs include those costs obligated in the acquisition of new production machinery, new plant equipment or improvements made to existing plant equipment to increase its capacity or capability, and the construction of new structures or new additions to existing structures. The costs reported will be the costs incurred in the prior year, regardless of when paid. Capital type rehabilitation (CTR) covers those maintenance costs in excess of normal maintenance and is defined in ASPR Section XIII. An analogous term is "support cost." Current year is the fiscal year in which the report is submitted with the result that current year data reported may have to be all or partially estimated.

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6. Report Year Maintenance Cost - Insert the amount of maintenance direct obligations during the completed (report) fiscal year for maintenance of facilities in layaway. Maintenance includes all charges to retain the facilities, utilities, security, building and ground maintenance, custodial, administration and contractor overhead and profit.
7. Out-Lease Revenues - Insert whatever annual revenues the government will receive for leasing any land, buildings or equipment considered a part of this plant for the lease in effect at the end of the fiscal year reported on. Also provide the number of such out-leases.
8. Contract Rental Receipts - Insert rental receipts collected during the reporting fiscal year from commercial use or government use of government facilities pursuant to the use and charges clause (ASPR 7-702.12, reference (c)) of a facilities contract.

C. STATE OF READINESS

1. Condition Codes - The condition code of 1, 2, or 3 will be entered for each of the four categories (structure, equipment, utilities, lines).
 - a. Condition 1 - (1) Structures (to include buildings and land) - the structures should be new or in excellent condition and ready for use. All structures must be structurally sound and adequate to support the mission. They may need clean-up and paint-up. (2) Equipment - the equipment should be in the required quantity and ready for use, with no repairs required, to support the facility's production mission. Only simple installation, connections to utility lines, lubrication, and adjustment are required. The condition of the equipment should be equal to condition codes N-1, N-2, E-1, and/or O-1 contained in DSAM 4215.1/NAVSUP PUB 5009 (reference (a)). (3) Utilities (to include communications, water, power, sewer, roads, and railroads) - the utilities should be installed and operational except for laid away appurtenances, refueling and connection with commercial lines. Telephone sets need not be installed but switchboards should be on site and telephone lines installed. All other utility systems should be capable of supporting full production. (4) Lines - the production line is well laid out or only minor improvements to the layout is required. (5) There should be no accumulation of deferred maintenance.

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b. Condition 2 - The following criteria applies to all categories to be reported; a considerable amount of repair, rehabilitation, replacement, and/or acquisition is required but such requirements can be completed within the mobilization build-up period and do not, at this time, affect the facility's state-of-readiness. Deferred maintenance may be accumulating but the accumulation does not affect the state-of-readiness. The condition of the equipment should be equal to condition codes N-3, E-2, O-2, O-3, R-1, and/or R-2 contained in reference (e).

c. Condition 3 - The following criteria applies to all categories to be reported; major repairs, rehabilitation, replacement and/or acquisition may be required or the condition of the facility may make such work impractical. Major line modernization or complete rework may be required. Deferred maintenance has caused the state-of-readiness of the facility to be downgraded. Facilities may need to be replaced. The condition of the equipment should be equal to condition codes N-4, E-4, O-4, R-3, R-4 X and/or S contained in reference (e).

2. Deferred Maintenance - Deferred maintenance is the end of fiscal year measurement of maintenance and repair work remaining as a firm requirement as a part of the installation work plans prescribed by SECNAVINST 11014.14 (reference (d)) or other maintenance planning documents, but which lack of resources prohibit accomplishment in that fiscal year. (Note: In this sense, accomplishment implies obligation of funds.)

3. Utilization of Building Space (%) - It is recognized that establishing a utilization factor is extremely difficult under the best of circumstances, and particularly in as diverse a situation as prevails within the scope of this reporting requirement. In the first space (e.g., Government) provide an estimate of the percent utilization of all government-owned buildings. In the case of commingled facilities, provide an estimate of the percent utilization of that portion which is contractor-owned in the space marked "Contractor." Finally, in the space marked "Overall" provide an estimate of the utilization of the overall plant building space.

a. Commercial/Government Use of Utilized Space in Government Buildings (%) - Insert the percentage of the utilized space in government buildings that is being used for government work and the percentage that is being used for commercial use. A method other than floor space may be used

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to determine Government or commercial use of utilized space. Designate the method used: sales, labor hours, etc.

4. Workload Projection (2 years) - Check the appropriate Block (Stable _____, etc.) that most aptly characterizes the estimated work load (total of government and commercial) of the plant for the remainder of the current fiscal year and for the budget fiscal year.
 5. Assessment of State-of- Readiness - Provide a narrative analysis, utilizing extra space if necessary, of the current state-of-readiness of each plant reported, addressing the question of whether planning for the utilization of the plant is in consonance with the actual physical condition of the plant.
- A. D. REMARKS - Furnish any additional remarks that will serve to provide management with as current a status report as possible, on the plant's condition, operation, or status including firm indications by the contractor to negotiate the purchase of the plant.

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DEPARTMENTAL INDUSTRIAL PLANT RESERVE REPORT
(REPORT SYMBOL DD-I&L(A)1272(4862))
FY _____

A. GENERAL DESCRIPTION

1. Name _____ DoD No. _____
2. Location _____
3. Type _____
4. Product(s) Produced During Report Year _____
5. Product(s) for Which Plant is Planned _____
6. Status _____
7. Operating/Maintenance Contractor _____
8. Planned Producer _____ Exp. Date _____
9. PEP No.(s)/No. of Items _____
10. Work Force: Current _____ Maximum _____
Government _____
Contractor _____
11. Acres Owned: Government _____ Contractor _____
12. Land Leased: _____
13. Covered Floor Space: _____
14. Laid Away Facilities: _____
 - a. Total Industrial Covered Floor Space _____
 - b. Total Industrial Covered Floor Space in Layaway _____
 - c. Percent (%) b of a _____
 - d. No. Major items of Equipment in Layaway _____
15. Date of Initial Construction _____

B. FINANCIAL DATA

1. Acquisition Cost: 2. Replacement Cost:

Land	_____	_____
Buildings	_____	_____
IPE	_____	_____
OPE	_____	_____
TOTAL	_____	_____

3. Leasing Costs: _____
4. Report Year Operating Costs: _____
5. Improvement Costs:

	REPORT YEAR	CURRENT YEAR
a. Expansion	_____	_____
b. Modernization	_____	_____
c. Capital Type Rehabilitation	_____	_____
6. Report Year Maintenance Costs: _____

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FY _____

- ### C. STATE OF READINESS

- D. REMARKS:

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